



General Assembly

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**Amendment**

LCO No. 6895

**\*HB0699706895SR0\***

Offered by:  
SEN. MCKINNEY, 28<sup>th</sup> Dist.

To: House Bill No. 6997

File No. 100

Cal. No. 435

**"AN ACT CONCERNING THE SUNSET LAW."**

1 After the last section, add the following and renumber sections and  
2 internal references accordingly:

3 "Sec. 501. (NEW) (*Effective October 1, 2007*) (a) There is established an  
4 Office of the Inspector General that shall act to detect and prevent  
5 fraud, waste and abuse in the management of state personnel, in the  
6 use and disposition of public property, and in the collection,  
7 disbursement and expenditure of state and federal funds administered  
8 by state or local governmental agencies. The Office of the Inspector  
9 General shall also evaluate the economy, efficiency and effectiveness of  
10 state agencies in the performance of their delegated duties and  
11 functions.

12 (b) The Inspector General shall be appointed by the Auditors of  
13 Public Accounts in accordance with this subsection. A committee  
14 consisting of the president pro tempore of the Senate, the speaker of  
15 the House of Representatives, the minority leaders of the Senate and

16 the House of Representatives, the cochairpersons and ranking  
17 members of the joint standing committee of the General Assembly  
18 having cognizance of matters relating to government administration  
19 and to the cochairpersons of the Legislative Program Review and  
20 Investigations Committee shall submit to the Auditors of Public  
21 Accounts the names of three candidates for appointment to the  
22 position of Inspector General. The Auditors of Public Accounts shall  
23 appoint one of such candidates to be Inspector General with the advice  
24 and consent of the General Assembly. The auditors, not later than  
25 ninety days after the submission to them by the committee of the  
26 candidates for appointment, shall make such appointment, provided if  
27 the auditors fail to make such appointment within said period the  
28 committee by majority vote shall make such appointment. The  
29 Inspector General shall be appointed on the basis of integrity and  
30 competence demonstrated in appropriate fields. The Inspector General  
31 shall hold office for a term of five years and until the appointment of a  
32 successor, unless sooner removed for just cause by the Auditors of  
33 Public Accounts. Such cause may include, but not be limited to,  
34 material neglect of duty, gross misconduct or conviction of a felony.

35 Sec. 502. (NEW) (*Effective October 1, 2007*) (a) The Office of the  
36 Inspector General shall be an independent office within the Joint  
37 Committee on Legislative Management for administrative purposes  
38 only.

39 (b) There is established, within available appropriations, a system  
40 for the coordination of efforts between the Office of the Inspector  
41 General and officials performing similar duties and internal auditing  
42 functions within the various state and local agencies. Such system may  
43 include continuing training programs for professional development,  
44 the adoption of standard guidelines and procedures and the  
45 organization of a communications network within the system. The  
46 internal auditors and support staff within the agencies shall remain  
47 assigned to such agencies but shall have their annual internal audit  
48 program approved by the Inspector General.

49 (c) The Inspector General may adopt regulations, in accordance with  
50 chapter 54 of the general statutes, to implement the provisions of  
51 sections 501 to 504, inclusive, of this act. The Inspector General may  
52 employ necessary staff, within available appropriations.

53 Sec. 503. (NEW) (*Effective October 1, 2007*) (a) The Inspector General  
54 shall: (1) Conduct preemptive inspections, inquiries and investigations  
55 relating to programs and operations involving the collection,  
56 administration or expenditure of public funds, the use or disposition of  
57 state-owned or leased property or the management practices and  
58 regulatory or statutory compliance of state agencies; (2) have access to  
59 all records, data and material maintained by or available to any  
60 governmental agency; and (3) have access to all records, data and  
61 material maintained by or available to any person or organization  
62 involved in the collection, expenditure or administration of public  
63 funds, control of state-owned or leased property or management of  
64 state employees.

65 (b) The Inspector General may make application to a panel of three  
66 Superior Court judges, appointed by the Chief Court Administrator,  
67 for the issuance of a subpoena whenever such subpoena is necessary in  
68 order to obtain information which is not otherwise available and  
69 which is needed in the performance of the Inspector General's duties.  
70 Any person aggrieved by the issuance of a subpoena by the Inspector  
71 General may petition the Superior Court for relief.

72 Sec. 504. (NEW) (*Effective October 1, 2007*) (a) The Inspector General  
73 may make recommendations to the Governor, the General Assembly  
74 and to the Legislative Program Review and Investigations Committee  
75 concerning the prevention and detection of fraud, waste and abuse,  
76 including recommendations concerning legislation and regulations or  
77 the coordination of preventative measures by governmental and  
78 nongovernmental entities. The Inspector General may assist or request  
79 assistance from any governmental agency, state employee or person or  
80 organization collecting or expending public funds or controlling state-  
81 owned or leased property.

82 (b) The Inspector General shall report findings of fact along with  
83 any recommendations to the: (1) Chief State's Attorney or the State  
84 Ethics Commission, when there is a reasonable belief that a state law  
85 has been or is being violated; (2) Attorney General, when there is a  
86 reasonable belief that civil recovery proceedings are appropriate; (3)  
87 United States Attorney, when there is a reasonable belief that a federal  
88 law has been or is being violated or when civil recovery is appropriate;  
89 and (4) appropriate municipal authority when there is a reasonable  
90 belief that civil recovery proceedings are appropriate.

91 (c) On or before October 31, 2008, and annually thereafter, the  
92 Inspector General shall submit a report concerning the activities of the  
93 office to the Governor, the joint standing committees of the General  
94 Assembly having cognizance of matters relating to appropriations and  
95 government administration and to the Legislative Program Review  
96 and Investigations Committee. The Inspector General may make such  
97 other reports as the Inspector General deems appropriate.

98 (d) All records of the Office of the Inspector General relating to  
99 actual or potential inspections, or inquiries or investigations shall be  
100 confidential and shall not be public records under the Freedom of  
101 Information Act, as defined in section 1-200 of the general statutes,  
102 until such time as all such audits or investigations have been  
103 concluded and all criminal and civil actions arising from the records  
104 have been finally adjudicated or otherwise settled or to such extent as  
105 may be deemed appropriate by the Inspector General in the  
106 performance of the Inspector General's duties, whichever is earlier.  
107 Records which are otherwise public documents shall not be deemed  
108 confidential solely because they have been transferred to the custody  
109 of the Inspector General. Where there are statutory requirements of  
110 confidentiality with regard to such records, books, data, files and other  
111 material printed or otherwise, maintained by a state agency, such  
112 requirements of confidentiality and penalties for the violation of such  
113 requirements shall apply to the Inspector General and to the Inspector  
114 General's agents in the same manner and to the same extent as such  
115 requirements of confidentiality and penalties apply to such state

116 agency.

117 Sec. 505. Section 2-90 of the general statutes is repealed and the  
118 following is substituted in lieu thereof (*Effective October 1, 2007*):

119 (a) The Auditors of Public Accounts shall organize the work of their  
120 office in such manner as they deem most economical and efficient and  
121 shall determine the scope and frequency of any audit they conduct.

122 (b) Said auditors, with the Comptroller, shall, at least annually and  
123 as frequently as they deem necessary, audit the books and accounts of  
124 the Treasurer, including, but not limited to, trust funds, as defined in  
125 section 3-13c, and certify the results to the Governor. The auditors  
126 shall, at least annually and as frequently as they deem necessary, audit  
127 the books and accounts of the Comptroller and certify the results to the  
128 Governor. They shall examine and prepare certificates of audit with  
129 respect to the financial statements contained in the annual reports of  
130 the Treasurer and Comptroller, which certificates shall be made part of  
131 such annual reports. In carrying out their responsibilities under this  
132 section, said auditors may retain independent auditors to assist them.

133 (c) Said auditors shall audit, on a biennial basis if deemed most  
134 economical and efficient, or as frequently as they deem necessary, the  
135 books and accounts of each officer, department, commission, board  
136 and court of the state government, all institutions supported by the  
137 state and all public and quasi-public bodies, politic and corporate,  
138 created by public or special act of the General Assembly and not  
139 required to be audited or subject to reporting requirements, under the  
140 provisions of chapter 111. Each such audit may include an examination  
141 of performance in order to determine effectiveness in achieving  
142 expressed legislative purposes. The auditors shall report their findings  
143 and recommendations to the Governor, the State Comptroller, the joint  
144 standing committee of the General Assembly having cognizance of  
145 matters relating to appropriations and the budgets of state agencies,  
146 and the Legislative Program Review and Investigations Committee.

147 (d) The Auditors of Public Accounts may enter into such contractual

148 agreements as may be necessary for the discharge of their duties. Any  
149 audit or report which is prepared by a person, firm or corporation  
150 pursuant to any contract with the Auditors of Public Accounts shall  
151 bear the signature of the person primarily responsible for the  
152 preparation of such audit or report. As used in this subsection, the  
153 term "person" means a natural person.

154 (e) If the Auditors of Public Accounts discover, or if it should come  
155 to their knowledge, that any unauthorized, illegal, irregular or unsafe  
156 handling or expenditure of state funds or any breakdown in the  
157 safekeeping of any resources of the state has occurred or is  
158 contemplated, they shall forthwith present the facts to the Governor,  
159 the State Comptroller, the clerk of each house of the General Assembly,  
160 the Inspector General, the Legislative Program Review and  
161 Investigations Committee and the Attorney General. Any Auditor of  
162 Public Accounts neglecting to make such a report, or any agent of the  
163 auditors neglecting to report to the Auditors of Public Accounts any  
164 such matter discovered by [him] the auditor or coming to [his] the  
165 auditor's knowledge shall be fined not more than one hundred dollars  
166 or imprisoned not more than six months, or both.

167 (f) All reports issued or made pursuant to this section shall be  
168 retained in the offices of the Auditors of Public Accounts for a period  
169 of not less than five years. The auditors shall file one copy of each such  
170 report with the State Librarian.

171 (g) Each state agency shall keep its accounts in such form and by  
172 such methods as to exhibit the facts required by said auditors and, the  
173 provisions of any other general statute notwithstanding, shall make all  
174 records and accounts available to them or their agents, upon demand.

175 (h) Where there are statutory requirements of confidentiality with  
176 regard to such records and accounts or examinations of  
177 nongovernmental entities which are maintained by a state agency,  
178 such requirements of confidentiality and the penalties for the violation  
179 thereof shall apply to the auditors and to their authorized

180 representatives in the same manner and to the same extent as such  
181 requirements of confidentiality and penalties apply to such state  
182 agency. In addition, the portion of any audit or report prepared by the  
183 Auditors of Public Accounts that concerns the internal control  
184 structure of a state information system shall not be subject to  
185 disclosure under the Freedom of Information Act, as defined in section  
186 1-200.

187 Sec. 506. Section 4-61dd of the general statutes is repealed and the  
188 following is substituted in lieu thereof (*Effective October 1, 2007*):

189 (a) Any person having knowledge of any matter involving  
190 corruption, unethical practices, violation of state laws or regulations,  
191 mismanagement, gross waste of funds, abuse of authority or danger to  
192 the public safety occurring in any state department or agency or any  
193 quasi-public agency, as defined in section 1-120, or any person having  
194 knowledge of any matter involving corruption, violation of state or  
195 federal laws or regulations, gross waste of funds, abuse of authority or  
196 danger to the public safety occurring in any large state contract, may  
197 transmit all facts and information in such person's possession  
198 concerning such matter to the [Auditors of Public Accounts. The  
199 Auditors of Public Accounts] Inspector General. The Inspector General  
200 shall review such matter and report [their] any findings and any  
201 recommendations to the Attorney General. Upon receiving such a  
202 report, the Attorney General shall make such investigation as the  
203 Attorney General deems proper regarding such report and any other  
204 information that may be reasonably derived from such report. Prior to  
205 conducting an investigation of any information that may be reasonably  
206 derived from such report, the Attorney General shall consult with the  
207 [Auditors of Public Accounts] Inspector General concerning the  
208 relationship of such additional information to the report that has been  
209 issued pursuant to this subsection. Any such subsequent investigation  
210 deemed appropriate by the Attorney General shall only be conducted  
211 with the concurrence and assistance of the [Auditors of Public  
212 Accounts] Inspector General. At the request of the Attorney General or  
213 on their own initiative, the auditors shall assist in the investigation.

214 The Attorney General shall have power to summon witnesses, require  
215 the production of any necessary books, papers or other documents and  
216 administer oaths to witnesses, where necessary, for the purpose of an  
217 investigation pursuant to this section. Upon the conclusion of the  
218 investigation, the Attorney General shall where necessary, report any  
219 findings to the Governor, or in matters involving criminal activity, to  
220 the Chief State's Attorney. In addition to the exempt records provision  
221 of section 1-210, the [Auditors of Public Accounts] Inspector General  
222 and the Attorney General shall not, after receipt of any information  
223 from a person under the provisions of this section, disclose the identity  
224 of such person without such person's consent unless the [Auditors of  
225 Public Accounts] Inspector General or the Attorney General  
226 determines that such disclosure is unavoidable, and may withhold  
227 records of such investigation, during the pendency of the  
228 investigation.

229 (b) (1) No state officer or employee, as defined in section 4-141, no  
230 quasi-public agency officer or employee, no officer or employee of a  
231 large state contractor and no appointing authority shall take or  
232 threaten to take any personnel action against any state or quasi-public  
233 agency employee or any employee of a large state contractor in  
234 retaliation for such employee's or contractor's disclosure of  
235 information to (A) an employee of the [Auditors of Public Accounts]  
236 Inspector General or the Attorney General under the provisions of  
237 subsection (a) of this section; (B) an employee of the state agency or  
238 quasi-public agency where such state officer or employee is employed;  
239 (C) an employee of a state agency pursuant to a mandated reporter  
240 statute; or (D) in the case of a large state contractor, an employee of the  
241 contracting state agency concerning information involving the large  
242 state contract.

243 (2) If a state or quasi-public agency employee or an employee of a  
244 large state contractor alleges that a personnel action has been  
245 threatened or taken in violation of subdivision (1) of this subsection,  
246 the employee may notify the Attorney General, who shall investigate  
247 pursuant to subsection (a) of this section.



248 (3) (A) Not later than thirty days after learning of the specific  
249 incident giving rise to a claim that a personnel action has been  
250 threatened or has occurred in violation of subdivision (1) of this  
251 subsection, a state or quasi-public agency employee, an employee of a  
252 large state contractor or the employee's attorney may file a complaint  
253 concerning such personnel action with the Chief Human Rights  
254 Referee designated under section 46a-57. The Chief Human Rights  
255 Referee shall assign the complaint to a human rights referee appointed  
256 under section 46a-57, who shall conduct a hearing and issue a decision  
257 concerning whether the officer or employee taking or threatening to  
258 take the personnel action violated any provision of this section. If the  
259 human rights referee finds such a violation, the referee may award the  
260 aggrieved employee reinstatement to the employee's former position,  
261 back pay and reestablishment of any employee benefits for which the  
262 employee would otherwise have been eligible if such violation had not  
263 occurred, reasonable attorneys' fees, and any other damages. For the  
264 purposes of this subsection, such human rights referee shall act as an  
265 independent hearing officer. The decision of a human rights referee  
266 under this subsection may be appealed by any person who was a party  
267 at such hearing, in accordance with the provisions of section 4-183.

268 (B) The Chief Human Rights Referee shall adopt regulations, in  
269 accordance with the provisions of chapter 54, establishing the  
270 procedure for filing complaints and noticing and conducting hearings  
271 under subparagraph (A) of this subdivision.

272 (4) As an alternative to the provisions of subdivisions (2) and (3) of  
273 this subsection: (A) A state or quasi-public agency employee who  
274 alleges that a personnel action has been threatened or taken may file an  
275 appeal not later than thirty days after learning of the specific incident  
276 giving rise to such claim with the Employees' Review Board under  
277 section 5-202, or, in the case of a state or quasi-public agency employee  
278 covered by a collective bargaining contract, in accordance with the  
279 procedure provided by such contract; or (B) an employee of a large  
280 state contractor alleging that such action has been threatened or taken  
281 may, after exhausting all available administrative remedies, bring a

282 civil action in accordance with the provisions of subsection (c) of  
283 section 31-51m.

284 (5) In any proceeding under subdivision (2), (3) or (4) of this  
285 subsection concerning a personnel action taken or threatened against  
286 any state or quasi-public agency employee or any employee of a large  
287 state contractor, which personnel action occurs not later than one year  
288 after the employee first transmits facts and information concerning a  
289 matter under subsection (a) of this section to the [Auditors of Public  
290 Accounts] Inspector General or the Attorney General, there shall be a  
291 rebuttable presumption that the personnel action is in retaliation for  
292 the action taken by the employee under subsection (a) of this section.

293 (6) If a state officer or employee, as defined in section 4-141, a quasi-  
294 public agency officer or employee, an officer or employee of a large  
295 state contractor or an appointing authority takes or threatens to take  
296 any action to impede, fail to renew or cancel a contract between a state  
297 agency and a large state contractor, or between a large state contractor  
298 and its subcontractor, in retaliation for the disclosure of information  
299 pursuant to subsection (a) of this section to any agency listed in  
300 subdivision (1) of this subsection, such affected agency, contractor or  
301 subcontractor may, not later than ninety days after learning of such  
302 action, threat or failure to renew, bring a civil action in the superior  
303 court for the judicial district of Hartford to recover damages, attorney's  
304 fees and costs.

305 (c) Any employee of a state or quasi-public agency or large state  
306 contractor, who is found to have knowingly and maliciously made  
307 false charges under subsection (a) of this section, shall be subject to  
308 disciplinary action by such employee's appointing authority up to and  
309 including dismissal. In the case of a state or quasi-public agency  
310 employee, such action shall be subject to appeal to the Employees'  
311 Review Board in accordance with section 5-202, or in the case of state  
312 or quasi-public agency employees included in collective bargaining  
313 contracts, the procedure provided by such contracts.

314 (d) On or before September first, annually, the [Auditors of Public  
315 Accounts] Inspector General shall submit to the clerk of each house of  
316 the General Assembly a report indicating the number of matters for  
317 which facts and information were transmitted to the auditors pursuant  
318 to this section during the preceding state fiscal year and the disposition  
319 of each such matter.

320 (e) Each contract between a state or quasi-public agency and a large  
321 state contractor shall provide that, if an officer, employee or  
322 appointing authority of a large state contractor takes or threatens to  
323 take any personnel action against any employee of the contractor in  
324 retaliation for such employee's disclosure of information to any  
325 employee of the contracting state or quasi-public agency or the  
326 [Auditors of Public Accounts] Inspector General or the Attorney  
327 General under the provisions of subsection (a) of this section, the  
328 contractor shall be liable for a civil penalty of not more than five  
329 thousand dollars for each offense, up to a maximum of twenty per cent  
330 of the value of the contract. Each violation shall be a separate and  
331 distinct offense and in the case of a continuing violation each calendar  
332 day's continuance of the violation shall be deemed to be a separate and  
333 distinct offense. The executive head of the state or quasi-public agency  
334 may request the Attorney General to bring a civil action in the superior  
335 court for the judicial district of Hartford to seek imposition and  
336 recovery of such civil penalty.

337 (f) Each large state contractor shall post a notice of the provisions of  
338 this section relating to large state contractors in a conspicuous place  
339 which is readily available for viewing by the employees of the  
340 contractor.

341 (g) No person who, in good faith, discloses information to the  
342 [Auditors of Public Accounts] Inspector General or the Attorney  
343 General in accordance with this section shall be liable for any civil  
344 damages resulting from such good faith disclosure.

345 (h) As used in this section:

346 (1) "Large state contract" means a contract between an entity and a  
347 state or quasi-public agency, having a value of five million dollars or  
348 more; and

349 (2) "Large state contractor" means an entity that has entered into a  
350 large state contract with a state or quasi-public agency.

351 Sec. 507. Section 20-281c of the general statutes is repealed and the  
352 following is substituted in lieu thereof (*Effective from passage*):

353 (a) The board shall grant the certificate of "certified public  
354 accountant" to any person who meets the good character, education,  
355 experience and examination requirements of subsections (b) to (d),  
356 inclusive, of this section and upon the payment of a fee of seventy-five  
357 dollars.

358 (b) Good character for purposes of this section means lack of a  
359 history of dishonest or felonious acts. The board may refuse to grant a  
360 certificate on the grounds of failure to satisfy this requirement only if  
361 there is a substantial connection between the lack of good character of  
362 the applicant and the professional responsibilities of a licensee and if  
363 the finding by the board of lack of good character is supported by clear  
364 and convincing evidence, and when based upon the prior conviction of  
365 a crime, is in accordance with the provisions of section 46a-80. When  
366 an applicant is found to be unqualified for a certificate because of a  
367 finding of lack of good character, the board shall furnish the applicant  
368 a statement containing the findings of the board and a complete record  
369 of the evidence upon which the determination was based.

370 (c) [The educational requirement for a certificate must be met before  
371 an applicant is eligible to apply for the examination.] An applicant  
372 may apply to take the examination if such person holds a  
373 baccalaureate degree, or its equivalent, conferred by a college or  
374 university acceptable to the board, with an accounting concentration or  
375 equivalent, as determined by the board by regulation to be  
376 appropriate. The educational requirements for a certificate shall be  
377 prescribed in regulations to be adopted by the board as follows:

378 (1) Until December 31, 1999, a baccalaureate degree or its equivalent  
379 conferred by a college or university acceptable to the board, with an  
380 accounting concentration or equivalent as determined by the board by  
381 regulation to be appropriate;

382 (2) After January 1, 2000, at least one hundred fifty semester hours  
383 of college education including a baccalaureate or higher degree  
384 conferred by a college or university acceptable to the board. The total  
385 educational program shall include an accounting concentration or  
386 equivalent, as determined by the board by regulation to be  
387 appropriate.

388 (d) The board may charge, or provide for a third party  
389 administering the examination to charge each applicant a fee in an  
390 amount prescribed by the board by regulation, for each section of the  
391 examination or reexamination taken by the applicant.

392 (e) The experience requirement for a certificate shall be as  
393 prescribed by the board by regulation.

394 (f) The holder of a certificate may register his certificate annually  
395 and pay a fee of twenty dollars in lieu of an annual renewal of a license  
396 and such registration shall entitle the registrant to use the abbreviation  
397 "CPA" and the title "certified public accountant" under conditions and  
398 in the manner prescribed by the board by regulation."